



# *City of Austin, Texas*

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**\$76,045,000**

**Public Improvement Bonds, Series 2008**

**\$10,700,000**

**Certificates of Obligation, Series 2008**

**\$26,715,000**

**Public Property Finance Contractual Obligations, Series 2008**



**The PFM Group**

Public Financial Management Inc  
PFM Asset Management LLC  
PFM Advisors

**Pricing Report  
August 28, 2008**



*\$76,045,000 Public Improvement Bonds, Series 2008*  
*\$10,700,000 Certificates of Obligation, Series 2008*  
*\$26,715,000 Public Property Finance Contractual Obligations, Series 2008*

***Public Improvements Bonds*** - Proceeds from the sale of the Bonds will be used to finance various capital improvements, and to pay certain costs of issuance of the Bonds.

***Certificates of Obligation*** - Proceeds from the sale of the Certificates will be used to finance various capital improvements and to pay certain costs of issuance of the Certificates.

***Public Property Finance Contractual Obligations*** - Proceeds from the sale of the Contractual Obligations will be used to purchase certain equipment for various City Departments and to pay costs of issuance of the Contractual Obligations.



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*\$76,045,000 Public Improvement Bonds, Series 2008*  
*\$10,700,000 Certificates of Obligation, Series 2008*  
*\$26,715,000 Public Property Finance Contractual Obligations, Series 2008*

ISSUER	City of Austin, Texas	
TYPE OF SALE	Competitive	
BOND COUNSEL	McCall, Parkhurst & Horton LLP	
FINANCIAL ADVISOR	The PFM Group	
UNDERLYING RATINGS	Fitch	AA+
	Moody's	Aa1
	S&P	AAA



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## *Bond Market Update*

WEDNESDAY'S MARKET YIELDS MOSTLY HIGHER  
6:30

Aug 28 2008

By Jeanne O'Connor

NEW YORK (Thomson)-- Tax-exempts ended mostly weaker in more of the same quiet trading that has characterized the market all week.

Municipals took an early cue from the Treasury market, which slid lower after orders for durable goods shot up by 1.3% in July. However, by the end of the session taxables reversed course to slip moderately higher even as stocks rake in substantial gains.

The turnaround in taxables came too late for the municipal market that has been thinly traded and at the same time swamped with primary issuance all week while participants refuse to get involved as the month wraps.

At the close, bonds due in 2009 through 2014 finished flat, bonds due in 2015 through 2016 finished one basis point weaker, bonds due in 2017 through 2020 ended weaker by two basis points, bonds due in 2021 through 2025 finished three basis points weaker, bonds due in 2026 through 2032 finished two basis points weaker, and bonds due in 2033 through 2038 finished three basis points weaker.

In new issuance, Banc of America repriced \$339 million Charlotte, North Carolina, water and sewer system revenue bonds at yields of 2.03% in 2010, 3.21% in 2015, 3.98% in 2020, 4.49% in 2025, 4.78% in 2030, and 4.81% in 2038. Also, Merrill Lynch repriced \$462 million New York State Thruway Authority state personal income tax revenue bonds at yields of 2.08% in 2010, 3.33% in 2015, 4.10% in 2020, 4.48% in 2025, and 4.60% in 2028.

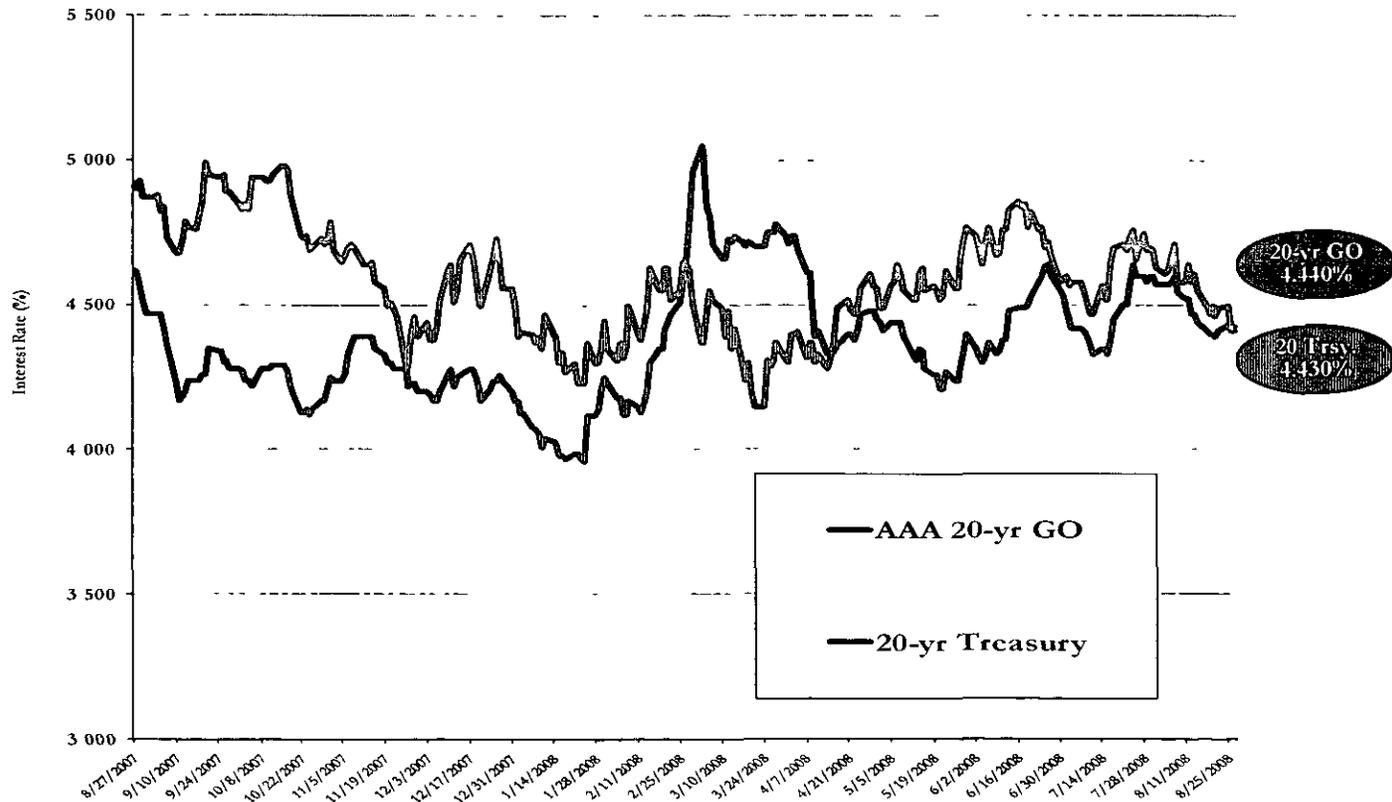


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# AAA 20 Year GO vs. 20 Year Treasury August 2007 through August 2008



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## *Municipal Markets Calendar*

### COMPETITIVE

<u>Week of</u>	<u>Amount</u>	<u>Issuer</u>	<u>State</u>	<u>Issue</u>	<u>Manager</u>
August 25, 2008	\$ 113,460,000	Austin, City of	TX	GO	N/A
	\$ 269,755,000	Palo Alto USD	CA	GO	N/A
	\$ 80,000,000	Forsyth Co	NC	GO Sch	N/A
	\$ 17,675,000	Fortbend Co MUD	TX	U/L Tax	N/A
	\$ 69,855,000	Austin, City of	TX	GO	N/A

### NEGOTIATED

<u>Week of</u>	<u>Amount</u>	<u>Issuer</u>	<u>State</u>	<u>Issue</u>	<u>Manager</u>
August 28, 2008	\$ 103,200,000	Bexar County	TX	Rev & Ref	JPMorgan
	\$ 30,200,000	Clint ISD	TX	Sch Bldg	Southwest Securities
	\$ 142,163,000	El Paso ISD	TX	Sch Bldg	Southwest Securities
	\$ 200,000,000	Harris County Cult Ed Fac	TX	Ref	Citigroup
	\$ 112,000,000	Tarrant County	TX	Ltd Tax GO	JPMorgan



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## Maturity Schedules

Public Improvement Bonds, Series 2008			
<u>Maturity</u>	<u>Principal</u>	<u>Coupon</u>	<u>Yield</u>
9/1/2009	\$ 11,000,000	4 000%	1 705%
9/1/2011	3,425,000	3 500%	2 550%
9/1/2012	465,000	3 500%	2 770%
9/1/2013	100,000	3 500%	2 970%
9/1/2014	100,000	3 500%	3 170%
9/1/2015	100,000	3 500%	3 300%
9/1/2016	100,000	3 750%	3 490%
9/1/2017	100,000	3 750%	3 670%
9/1/2018	3,750,000	4 000%	3 820%
9/1/2019	3,960,000	4 000%	4 020%
9/1/2020	4,175,000	4 000%	4 170%
9/1/2021	4,405,000	4 250%	4 290%
9/1/2022	4,650,000	5 000%	4 400%
9/1/2023	4,905,000	5 000%	4 460%
9/1/2024	3,075,000	4 500%	4 620%
9/1/2025	3,360,000	4 500%	4 680%
9/1/2026	4,325,000	4 625%	4 730%
9/1/2027	10,015,000	4 750%	4 780%
9/1/2028	14,035,000	4 750%	4 820%

Certificates of Obligation, Series 2008			
<u>Maturity</u>	<u>Principal</u>	<u>Coupon</u>	<u>Yield</u>
9/1/2009	\$ 305,000	3 000%	1 750%
9/1/2010	325,000	3 000%	2 120%
9/1/2011	340,000	3 000%	2 530%
9/1/2012	360,000	3 250%	2 730%
9/1/2013	380,000	3 250%	2 930%
9/1/2014	400,000	3 250%	3 100%
9/1/2015	425,000	5 000%	3 250%
9/1/2016	445,000	5 000%	3 420%
9/1/2017	470,000	5 000%	3 600%
9/1/2018	495,000	5 000%	3 850%
9/1/2019	525,000	4 000%	4 030%
9/1/2020	555,000	4 000%	4 270%
9/1/2021	585,000	4 250%	4 400%
9/1/2022	615,000	4 375%	4 500%
9/1/2023	650,000	4 375%	4 560%
9/1/2024	685,000	4 500%	4 620%
9/1/2025	725,000	4 500%	4 680%
9/1/2026	760,000	4 625%	4 800%
9/1/2027	805,000	4 625%	4 800%
9/1/2028	850,000	4 625%	4 800%

PPFCO, Series 2008			
<u>Maturity</u>	<u>Principal</u>	<u>Coupon</u>	<u>Yield</u>
5/1/2009	\$1,485,000	4 000%	1 750%
11/1/2009	1,705,000	4 000%	1 900%
5/1/2010	1,740,000	3 000%	2 100%
11/1/2010	1,780,000	3 000%	2 150%
5/1/2011	1,815,000	3 250%	2 480%
11/1/2011	1,855,000	3 000%	2 530%
5/1/2012	1,895,000	3 250%	2 750%
11/1/2012	1,935,000	3 250%	2 780%
5/1/2013	1,975,000	3 250%	2 920%
11/1/2013	2,020,000	3 250%	2 950%
5/1/2014	2,060,000	3 500%	3 100%
11/1/2014	2,105,000	3 500%	3 120%
5/1/2015	2,150,000	3 500%	3 260%
11/1/2015	2,195,000	3 500%	3 260%

TIC: 4.57452%

TIC: 4.404765%

TIC: 3.023629%



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## *Competitive Bids*

Public Improvement Bonds, Series 2008	
Bidder Name	TIC
Banc of America Securities LLC	4 574520%
Piper Jaffray	4 588259%
Morgan Keegan & Company, In	4 597981%
Robert W Baird & Co	4 617134%
Citigroup Global Markets Inc	4 618897%
Merrill Lynch	4 623946%
DEPFA First Albany Securities	4 628437%
Lehman Brothers	4 671326%
Wachovia Bank	4 682450%

Certificates of Obligation, Series 2008	
Bidder Name	TIC
Robert W Baird & Co	4 407650%
Wachovia Securities LLC	4 415961%
Bernadi Securities	4 441685%
Morgan Keegan & Compan	4 449864%
DEPFA First Albany Securit	4 452051%
Merrill Lynch	4 504442%
UBS Securities	4 535884%
Citigroup Global Markets Ir	4 556070%

PFCO, Series 2008	
Bidder Name	TIC
Robert W Baird & Co	3 023629%
Commerce Capital Mark	3 035880%
Piper Jaffray	3 045977%
Morgan Keegan & Co In	3 047525%
DEPFA First Albany Seci	3 050643%
Prager, Sealy & Co LLC	3 059230%
First Southwest Compan	3 059305%
UBS Securities	3 072170%
Citigroup Global Market:	3 076725%
Merrill Lynch & Co	3 117976%



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